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The Tobacco Bill and New Government

A Snapshot of What's Brand New in the Tobacco Bill

The tobacco bill, S. 1415, was reported from committee on May 1. This paper is a snapshot of that bill. Listed below are the newly created funds, programs, commissions, and boards that we've found in the bill; we do *not* list the numerous cases in which current programs receive billions of dollars in additional funding.

Many of these new provisions were contemplated by the June 20 Agreement — an agreement reached among tobacco manufacturers, public health officials, plaintiff attorneys, and state attorneys general, without congressional participation. Congress, of course, has the sole constitutional authority to legislate and it must consider each of the proposals contemplated in the agreement individually and on its merits.

New Funds

The National Tobacco Settlement Trust Fund [section 401, page 397] will receive hundreds of billions of dollars from tobacco companies, see §§403, 404, 406, 202, and disburse such funds. This major Fund (NTSTF) is "off-budget" and contains three separate accounts: The Compliance Bonus Account for States and Retailers [sec. 211, p. 361] which provides 5 percent of NTSTF for States and retailers when 95 percent of kids are unable to buy tobacco; the State Litigation Settlement Account [sec. 402, p. 399] which provides \$196.5 billion over 25 years from NTSTF to be paid to States for costs of treating tobacco-related illnesses; and the Global Public Health and Education Resource Account [sec. 1132(c)(2), p. 608] which provides \$150 million per year from NTSTF for the American Center on Global Health and Tobacco.

The Tobacco Community Revitalization Trust Fund [sec. 1011, p. 489] which receives tens of billions of dollars from the NTSTF and from tobacco companies based on market share and then makes payments for programs in tobacco communities.

The International Tobacco Control Trust Fund [sec. 1131, p. 601] which receives hundreds of millions of dollars from licensing fees to be used for international programs.

The Tobacco Asbestos Trust Fund [sec. 1202, p. 642] which will receive \$21 billion from NTSTF by the year 2014 for disbursement to asbestos-tobacco victims.

The Department of Veterans Affairs Tobacco Recovery Fund [sec. 1301- "9101(c)", p. 666], a revolving fund for monies obtained from tobacco companies in tort actions on behalf of veterans, and to pay for programs for veterans.

The **"Tort Trust Fund"**. There is a "place holder" for another fund. On page 44 of its report, the committee says, "This section [section 710] establishes a Tort Trust Fund, as requested by the Administration, to ensure that individual claimants have a source for payment of judgments and settlements against the tobacco companies. This section is a place holder and will be revised." There is no section 710 in the bill itself.

New Programs within the Department of Health and Human Services

The **Tobacco Products Scientific Advisory Committee** [sec. 101(b)-"915", p. 328] is a nine-member committee to give the Secretary technical advice on nicotine and related matters. The **National Smoking Cessation Program** [sec. 221, p. 369] authorizes the Secretary to award grants to groups and individuals for cessation programs. The **Tobacco-Free Education Board** [sec. 222(a), p. 372] is a nine-member board to award contracts for education and information. The **National Tobacco-Free Public Education Program** [sec. 222(b), p. 374] authorizes the Secretary to establish programs for education and information. The **National Community Action Program** [sec. 223, p. 378] authorizes the Secretary to establish a program for grants to States and localities for anti-tobacco programs. The new **Licensing block grant program** [sec. 224, p. 378] authorizes the Secretary to make grants to States that license tobacco retailers. The **Tobacco Agreement Accountability Panel** [sec. 801, p. 458] authorizes the Commissioner of FDA to appoint a three-member panel to review compliance with the Act, and it has power to declare an emergency. The **National Tobacco Task Force** [sec. 1106(a)-"2802", p. 589] authorizes the Secretary to establish a nine-member group to coordinate medical research, health services, etc. The **Tobacco-Related Research Initiative** [sec. 1106(a)-"2804(b)", p. 593] authorizes the Secretary to establish a program of tobacco research with \$2.5 billion authorized annually through FY 2008. The **Office of Tobacco-Related Research** [sec. 1106(a)-"2804(h)", p. 595] authorizes the Secretary to establish an office in NIH to coordinate research projects.

Newly Created Private, Nonprofit Corporations

The **American Center on Global Health and Tobacco (ACT)** [sec. 1132(b), p. 606] sets up a 25-member board to oversee international efforts against tobacco with \$300 million per year.

The **Tobacco Vending Reimbursement Corporation** [sec. 1191(b)(2), p. 634] is an organization to reimburse owners for the fair market value of their vending machines.

Newly Created Hybrid Arrangement for Documents

The **National Tobacco Documents Depository** [sec. 903, p. 469] requires tobacco manufacturers to establish and maintain a document depository in the Washington, D.C. area. The **National Tobacco Document Review Board** [sec. 906, p. 477] is a five-member public board to oversee depository and make decisions about evidentiary privileges, trade secrets, etc.

We have listed every *new* program that we found, but we are not so bold as to say we have found them all. Additionally, there appears to be about an equal number of current programs that receive additional funding.

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